

quinn emanuel trial lawyers | chicago

191 N. Wacker Drive, Suite 2700, Chicago, Illinois 60606-1881 | TEL (312) 705-7400 FAX (312) 705-7401

WRITER'S DIRECT DIAL NO.
312-705-7476

WRITER'S EMAIL ADDRESS
Jonathanbunge@quinnemanuel.com

October 10, 2019

Mayor Joseph Hadden Hogsett
Chief of Staff Thomas Cook
Office of the Mayor
City of Indianapolis
200 E. Washington St., Suite 2501
Indianapolis, IN 46204

Mr. Donald E. Morgan
Corporation Counsel
Office of Corporation Counsel
City of Indianapolis
200 E. Washington St., Suite 1601
Indianapolis, IN 46204

Ms. Emily Mack
Director
Department of Metropolitan Development
City of Indianapolis
200 E. Washington St., Suite 2042
Indianapolis, IN 46204

Re: *GM Stamping Plant Site*

Mayor Hogsett, Mr. Cook, Ms. Mack, and Mr. Morgan:

Our firm represents Ambrose Property Group, LLC and Ambrose GM Stamping Plant, LLC in connection with the City of Indianapolis' unlawful threat to take Ambrose's Waterside property despite the City's contractual commitment that it would not attempt to do so. Since the City made its promise in 2018 to not involuntarily take Waterside, Ambrose has invested millions of dollars and thousands of hours to develop a plan for Waterside and to advance that plan. Throughout that time, Ambrose's top priority has always been—and continues to be—what is best for Waterside, the surrounding communities, and Indianapolis. As Ambrose explained in late September, Ambrose is selling Waterside (as permitted by its contract with the City) and will endeavor to find a buyer who has similar goals. The City has made Ambrose's process impossible by threatening to launch a prolonged legal battle in an attempt to disrupt that process and take the property—despite the City's contractual promise that it would not do so—which will inevitably halt all progress on Waterside's development as the litigation proceeds.

Moreover, the City will not succeed. In the Project Agreement, the contract between Ambrose and the City regarding Waterside (dated February 21, 2018), the City expressly committed that it “shall not seek to involuntarily acquire any portion of the Property for an economic development project on the Property that will ultimately be privately owned or largely occupied for private activities.” That provision was added to the contract because the City had previously suggested that it had the right to use the eminent domain process to take control of the Waterside site, and Ambrose needed assurance that the City would not attempt to do so after Ambrose made significant investments in the property. Although the City provided that assurance in the Project Agreement, that is precisely what the City has done.

By threatening to take Waterside through eminent domain in the City’s October 2, 2019 letter and other public statements, the City has breached its contractual promise. The parties’ contract is clear that the City has no authority to take Waterside. Further, Indiana law authorizes the use of eminent domain proceedings only for serious problems: public nuisances, blighted houses, and the like. As I’m sure you know, Indiana law does not allow the City to use eminent domain to interrupt an otherwise competitive market sale process with numerous possible buyers in an effort to ensure that the City is the only bidder.

Despite the City’s knowledge that it cannot take Waterside through eminent domain, the City’s October 2, 2019 letter and subsequent public statements¹ have pressed the baseless claim that the City not only has such authority but that the City fully intends to exercise that power. By deliberately and widely publicizing its efforts to take Waterside—with full knowledge that the City cannot do so—the City has unlawfully cast a cloud over Ambrose’s title to the property. In fact, we understand that the City’s representatives have told third parties, in words or substance, that the City’s goal is to create sufficient uncertainty about the future of the property such that the City is able to force Ambrose to sell the property to the City at a price far below market value—even though that would be illegal.

Accordingly, please consider this letter notice of an Event of Default under § 7.2(c) of the Project Agreement and notice pursuant to Indiana Code § 34-13-3-8 and § 34-13-3-10 of Ambrose’s intent to press slander of title and any and all other relevant tort claims. Ambrose has already suffered losses since October 2, 2019, and is continuing to suffer losses due to the City’s public statements that have impaired Ambrose’s ability to sell Waterside (as it is entitled to do

¹ For example, Thomas Cook, the Mayor’s Chief of Staff, “told IndyStar the city would need to use eminent domain . . . if Ambrose refuses to sell the property.” Ethan May & Alexandria Burris, *Plans keep falling through to redevelop the GM stamping plant. Here’s what we know.*, Indianapolis Star (Oct. 3, 2019), <https://www.indystar.com/story/money/2019/10/03/gm-stamping-plant-site-redevelopment-ambrose-property-group-indianapolis-zoo-what-to-know/3846151002/>. Emily Mack, the Director of the Department of Metropolitan Development, has also made public statements about the City’s intent to take control of Waterside through eminent domain. See Jenny Dreaser, *City Acts to Secure Land After Waterside Project Evaporates*, Inside Indiana Business (Oct. 2, 2019), <http://www.insideindianabusiness.com/story/41133283/indy-threatens-eminent-domain-to-retain-waterside-plans>.

under the Project Agreement), slandered the title of the property, and disparaged Ambrose's reputation. Ambrose has suffered significant damages and intends to seek all just and appropriate relief to protect its rights and seek financial compensation for its losses.

If the City wanted to be part of the sale process to ensure that the redevelopment succeeds, Ambrose would have welcomed the City's participation. Instead, other than the October 2, 2019 letter threatening to take the property, Ambrose has not received any communication from the City regarding an offer to purchase the land, terms of such purchase, or any actual intent to purchase the property.

Ambrose is willing to discuss with the City the best path forward for Waterside and welcomes the City's participation if it wants to be a productive part of the process. That process must involve putting the parties back in the positions they occupied before the City began making its illegal and baseless threats to take Waterside from its rightful owner. In order to do so, the City will need to publicly correct its false and misleading statements that it has the power to take the property through eminent domain, commit to make Ambrose whole for the harm Ambrose has suffered as a result of the City's misguided effort to slander the title of the property, and compensate Ambrose for the reputational damages incurred due to the inaccuracies perpetuated by the City and its employees.

Respectfully,



Jonathan C. Bunge
*Counsel for Ambrose*²

cc:

Indiana Political Subdivision Risk Management Commission
311 W Washington St, Suite 103
Indianapolis, IN 46204

Brantley H. Wright, Esq.
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, IN 46204

² Ambrose Property Group and Ambrose GM Stamping Plant, LLC have offices at 250 W. 96th Street, Indianapolis, IN 46260 and 55 Monument Circle, Indianapolis, IN 46204.